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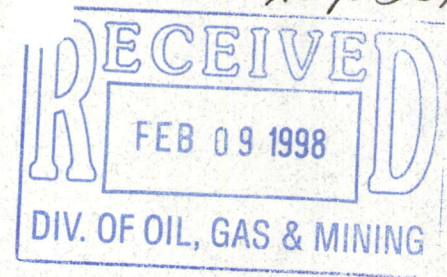
CONTRACTING • EXCAVATING
TRUCKING • U.S.T. REMOVALS
HAZARDOUS
MATERIALS SPECIALIST

P.O. Box 18400
Kearns, Utah 84118
8201 West 5400 South
Salt Lake City, Utah
Phone (801) 250-0132
Fax (801) 250-0671

February 6, 1998

State of Utah
Department of Natural Resources
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Attn: Wayne Hedberg



Re: Response to the Division of Oil Gas and Mining's Request for a Written Agreement to Conditions Contained in the February 5, 1998 Letter

Dear Mr. Hedberg:

Harper Contracting, Inc. (Harper) has received and reviewed the Division's letter dated February 5, 1998 (attached). This letter describes the Division's understanding(s) of proposed changes to be made according to Harper's amendment application dated January 13, 1998, and conditions for which immediate construction activities are allowed.

Harper agrees with the Division's understandings, and agrees to provide the information requested in your letter by the stated date. It is Harper's understanding that construction activities as proposed in the amendment application are allowed to commence upon the Division's receipt of this letter.

We appreciate your timely response to our amendment application. If you have any questions, please do not hesitate to contact me at (801) 250-0132, or Doug Jones with JBR Environmental at (801) 943-4144.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lawnie Mayhew". The signature is fluid and cursive, with a long, sweeping underline.

Lawnie Mayhew
Environmental Coordinator

attachment

cc: Doug Jones





State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Branton
Division Director

1594 West North Temple, Suite 1210

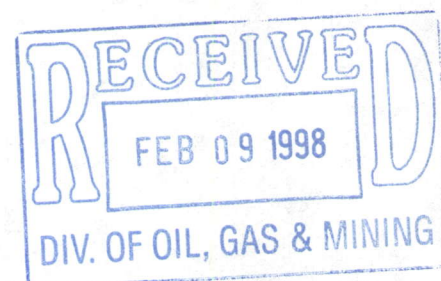
PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)



February 5, 1998

Lawnie Mayhew
Harper Contracting, Inc.
P.O. Box 18400
Kearns, Utah 84118

Re: Conditional Approval of Amended Notice of Intention, Harper Contracting, Inc., Parleys Canyon Quarry, M/035/012, Salt Lake County, Utah

Dear Mr. Mayhew:

The Division has completed a review of your proposed amendment to the Parley's Canyon Quarry received January 13, 1998. During the review, Division staff members had several phone conversations to clarify certain portions of the proposed amendment. One clarification was to reduce the visibility of the proposed amendment from I-80, Harper will be constructing a visual screen between the site and I-80. This will be in the form of a sound wall or an earthen berm that is vegetated with tall shrubs and/or trees.

An additional clarification regarding the reconstructed access road of 0.3 acres shown on Plate 5A was also discussed. The acreage associated with this road (which is located within the old disturbed area boundary for the pit) should have been included as disturbance in this amendment because this portion of the pit is now being excluded. This would increase the amendment disturbance approximately 0.17 acres (rough estimate of 500 feet by 15 feet). Conversely, the new operations area overlaps a portion of the new access road. This overlap would decrease the disturbed area approximately 0.16 acres (rough estimate of 280 feet by 25 feet). Since these areas are essentially equal in size there is no permitting concern other than clarifying the road representation on Plate 5A.

Additional information relevant to this amendment which was not included in the written submission was obtained during phone conversations on February 2, 1998 with you and Doug Jones of JBR. While this amendment does not include a net increase in disturbed area it does include the addition of a second crushing and screening facility. Based on these phone conversations, this second facility will be nearly identical to the crushing & screening facility currently in place.

The Division has adjusted the old reclamation surety estimate to reflect the increase or decrease in the types of areas, and the addition of a second crusher facility. The original estimate included 11 trips for facility removal. The Division assumed the new crushing facility would include: a cone and screen, a jaw crusher, two radial stackers, two conveyors, miscellaneous fuel and water tanks. Removal of these pieces of equipment is estimated to increase the number of haulage trips by six. Six

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Lawnie Mayhew

Harper Contracting, Inc.

M/035/012

February 5, 1998

trips would be approximately 55% of eleven trips, therefore, facility reclamation costs were increased 60% to err on the conservative side. The Division's revised draft estimate and a copy of the old estimate are attached. According to this revised estimate, the cost of reclamation for the amended plan would be approximately \$40,400. This amount exceeds the current \$36,800 surety amount by \$3,600, which is an increase of approximately 9.8%.

We acknowledge the urgency of Harper's need to start construction of these new processing facilities in an expeditious manner. Because the existing surety has a 10% contingency provision built in, we believe that there is sufficient surety coverage to allow initial construction activities to begin.

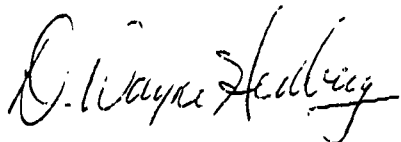
The Division hereby approves of this amendment with the following conditions:

1. Harper agrees to provide a detailed description of the new crusher facilities.
2. Harper agrees to provide a revised reclamation surety estimate to be used for comparative purposes by the Division. Please calculate the estimate in 1998 dollars, then escalate that amount 5 years forward to 2003 dollars (using a 2.52% inflation factor).
3. Harper agrees to adjust the surety amount accordingly following the Division's review and acceptance of this requested information.
4. Harper agrees to provide this updated information within the next 45 days.

Please provide a written response accepting or rejecting the terms of this conditional approval as soon as possible. Once we have received this written commitment from Harper, our conditional approval will become effective and the proposed construction work under this amendment may begin.

Thank you for your cooperation. As always, please call if we can be of further assistance.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosures: Division 2/3/98 estimate, Division 2/13/96 estimate

cc: Warren Reynolds, Salt Lake County Commission

Doug Jones, JBR Consultants

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RECLAMATION ESTIMATE**DRAFT**

Harper Contracting Inc.

1/13/98 Amendment

last revision

02/03/98

Parley's Canyon Quarry

filename m35-12am.wb2

page "amend98"

M/035/012 (ML-45599)

Salt Lake County

Prepared by Utah State Division of Oil, Gas & Mining

Details of Final Reclamation

- This estimate is a modification of the Division 2/13/96 estimate based on the 1/13/98 amendment
- This amendment results in no net increase in disturbed area.
- This estimate assumes all previously approved reclamation treatments will be extended to new areas "in kind"
- The amendment decreases pit disturbance by 3.8 acre; increases slide area disturbance by 1.4 acre; increases road disturbance by 0.1 acre; increases operations/processing area disturbance by 2.3 acre.
- Previous pit area acreage was 11.8 acres; 3.8 acre decrease = - 32%
- Previous operations area acreage was 5.6 acres; 2.3 acre increase = + 41%
- Previous slide area acreage was 1.6 acres; 1.4 acre increase = + 88%; (receives no reclamation treatments)
- Previous access road acreage was 2.9 acres; 0.1 acre increase = + 3%
- Amendment adds one full compliment of crushing facilities similar to existing facilities
- This estimate assumes removal or new crushing facilities will increase previous costs by 60%
- Revegetation treatments are proposed for the operations areas, road areas & pit floor.
- Adjustment to revegetation treatments => +41% -32%+3% = +12%
- This estimate was escalated 3 years @ 2.68%/yr; five year review of the estimate is still due in 2001
- Estimated total disturbed area for the Parleys Canyon Mine = 21.9 acres

Activity	% adjust	old quantity	Quantity	Units	\$/unit	\$
Gates & signs (mtls & installation)	0%	1	1	sum	700	700
Regrading processing area & loose mtls	41%	2,000	2,820	CY	0.96	2,707
Safety berms on pit benches	-32%	480	326	CY	4.74	1,547
Sidecast mtl replacement - backhoe	3%	380	391	CY	1.97	771
Ripping new pit access road	0%	0.7	0.7	acre	410	287
Ripping pit floor	-32%	9.9	7	acre	410	2,760
Water bar construction	3%	6.3	6	CY	1.97	13
Equipment removal - trucking	60%	11	18	trips	345	6,072
Equipment removal - FE loader	60%	2	3	days	1,050	3,360
Equipment removal - supervision	60%	16.0	26	hours	30	768
Mulching (2-3 ton/acre)	12%	16.1	18	acre	475	8,565
Fertilizing (160 lb/acre diammonium ph	12%	16.1	18	acre	150	2,705
Broadcast seeding (11.5 lb/acre)	12%	16.1	18	acre	67	1,208
General site cleanup & trash removal	12%	16.1	18	acre	50	902
Reclamation supervision (est 4 days)	60%	32	51	hours	30	1,536
Subtotal						33,901
10% Contingency						3,390
Subtotal						\$37,291
Escalate for 3 years at 2.68% per yr						3,079
Total						\$40,370
Rounded surety amount in yr 2001-\$						\$40,400
Average cost per disturbed acre =						\$1,845
Amount of previous estimate =		\$36,800		Difference between previous estimate =		\$3,600
				Percent Increase or decrease		9.78%

RECLAMATION ESTIMATE

Harper Contracting Inc.

last revision **02/13/96**

Parley's Canyon Quarry

filename M35-12.WB2

page "ESTIMATE"

M/035/012 (ML-45599)

Salt Lake County

Prepared by Utah State Division of Oil, Gas & Mining

Details of Final Reclamation~~This is a reformatted version of the 1-18-96 estimate provided by Harper~~

- This project involves patented claims, a state lease (SITLA) & access across USFS
- Previous operations did not salvage topsoil or topsoil is unavailable due to rock outcrops
- All equipment, facilities, trash & debris will be removed during final reclamation
- Pit highwalls will remain benched; safety berms & gates will prevent public access
- Remaining stockpiles & loose material will be regraded to 3h:1v configuration or less
- New roads will be regraded & receive revegetation treatments
- Reclaimed roads, pit floors & other surfaces will be ripped to maximize infiltration
- Revegetation will include scarifying/ripping, mulching, fertilizing & broadcast seeding
- Acreage: pit highwall 6.3, pit floor 5.5, ore slide 1.6, operations 5.6, access roads 2.9
- Permit area which was disturbed by previous operations is 16.7 acres.
- Amount of disturbed area which will receive reclamation treatments 16.1 acres
- Estimated total disturbed area for the Parleys Canyon Mine = 21.9 acres

Activity	Quantity	Units	\$/unit	\$
Gates & signs (mtls & installation)	1	sum	700	700
Regrading processing area & loose mtls	2,000	CY	0.96	1,920
Safety berms on pit benches	480	CY	4.74	2,275
Sidecast mtl replacement - backhoe	380	CY	1.97	749
Ripping new pit access road	0.7	acre	410	287
Ripping pit floor	9.9	acre	410	4,059
Water bar construction	6.3	CY	1.97	12
Equipment removal - trucking	11	trips	345	3,795
Equipment removal - FE loader	2	days	1,050	2,100
Equipment removal - supervision	16.0	hours	30	480
Mulching (2-3 ton/acre)	16.1	acre	475	7,648
Fertilizing (160 lb/acre diammonium phosphate	16.1	acre	150	2,415
Broadcast seeding (11.5 lb/acre)	16.1	acre	67	1,079
General site cleanup & trash removal	16.1	acre	50	805
Reclamation supervision (est 4 days)	32	hours	30	960
	Subtotal			29,283
10% Contingency				2,928
	Subtotal			\$32,212
Escalate for 5 years at 2.68% per yr				4,554
	Total			\$36,766
Rounded surety amount in yr 2001-\$				\$36,800
Average cost per disturbed acre =		\$1,680		